

# Exhibit B

**THIS DOCUMENT FILED UNDER SEAL**

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF HAWAII

DRAFT

UNITED STATES OF AMERICA )  
                                )  
vs.                             )  
                                )  
ANDY S.S. YIP                 ) PRESENTENCE INVESTIGATION REPORT  
                                )  
                                ) Criminal No. CR 02-00225DAE-01

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**Prepared For:** The Honorable David Alan Ezra  
U.S. District Judge

**Prepared By:** Mona L. Godinet  
U.S. Probation Officer  
Honolulu, Hawaii  
(808) 541-1283

**Assistant U.S. Attorney**  
Leslie E. Osborne, Jr.  
300 Ala Moana Blvd., Room 6-100  
Honolulu, Hawaii 96850  
(808) 541-2850

**Defense Counsel**  
Howard T. Chang (Retained)  
1003 Bishop Street, Suite 475  
Honolulu, Hawaii 96813  
(808) 533-2877

**Sentence Date:** 3/17/2008

**Offense:** Count 1: CONSPIRACY TO DEFRAUD THE UNITED STATES.  
a violation of 18 U.S.C. § 371, a Class D felony

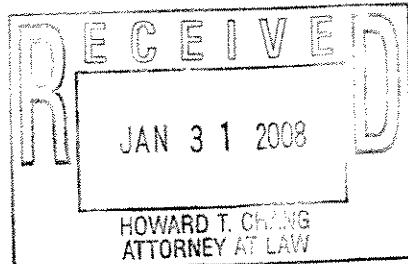
Counts 4-7 and 9: FILING FALSE U.S. TAX RETURN, a  
violation of 26 U.S.C. § 7206(1), a Class E felony

Counts 10 and 11: FAILURE TO DISCLOSE RECORDS AND  
REPORTS ON FOREIGN FINANCIAL AGENCY  
TRANSACTIONS, a violation of 31 U.S.C. §§ 5314 and 5322(b),  
and 31 C.R.F. §§ 103.24 and 103.27(c) and (d), a Class C felony

**Maximum Penalty:** Count 1: 5 years imprisonment/3 years supervised release/  
\$250,000 fine/\$100 special assessment

Date Report Prepared: 1/29/2008

EXHIBIT 3



or supervised release ordered. U.S.S.G. § 5E1.2(d)(7). The most recent Memorandum from the Administrative Office of the U.S. Courts dated 5/9/2007 suggests a monthly cost of \$2,036.92 be used for imprisonment, a monthly cost of \$1,799.04 be used for community corrections centers, and a yearly cost of \$3,535.18 be used for supervision.

Restitution

100. **Statutory Provisions:** Pursuant to 18 U.S.C. § 3663, restitution may be ordered in this case. The IRS is requesting restitution of \$1,758,835 for the additional taxes due and owing, and \$2,063,153.94 in interest compounded until 3/17/2008. However, based on the tax loss of \$733,302 for tax years 1995 through 1998, which was determined during the criminal investigation, in addition to the cost of prosecution of \$24,463.86, restitution in the amount of \$757,765.86 is outstanding and payment is owed to the Internal Revenue Service.
101. **Advisory Guideline Provisions:** In accordance with the provisions of U.S.S.G. § 5E1.1, restitution shall be ordered.

**PART E. FACTORS THAT MAY WARRANT A SENTENCE OUTSIDE THE ADVISORY GUIDELINE RANGE**

102. Pursuant to 18 U.S.C. § 3553(a), the Court shall consider the enumerated seven factors in imposing a sentence that sufficiently complies with the sentencing goals set forth in 18 U.S.C. § 3553(a)(2).
103. There do not appear to be any aggravating or mitigating factors regarding the offense or the defendant which would warrant a departure from the applicable guideline range.

**PART F. NOTICE OF ADDITIONAL CONDITIONS FOR SUPERVISION THAT MAY WARRANT CONSIDERATION**

104. That the defendant cooperate and comply with the requirements of the Internal Revenue Service (IRS), including the filing of all past-due tax returns and the payment of delinquent taxes.